



November 9, 2012

Ms. Kathy N. Tyner, CEO
KD Studio
2600 Stemmons Freeway, Suite 117
Dallas, TX 75207

Certified Mail
Return Receipt Requested
7011 2000 0000 8054 4745

RE: Final Program Review Determination
OPE ID: 02318200
PRCN: 201240628031

Dear Ms. Tyner:

The U.S. Department of Education's (Department's) Dallas School Participation Division issued a program review report on September 25, 2012 covering KD Studio's (KD's) administration of programs authorized pursuant to Title IV of the Higher Education Act of 1965, as amended, 20 U.S.C. §§ 1070 et seq. (Title IV, HEA programs). The institution's final response was received on October 19, 2012.

The Dallas School Participation Division has reviewed KD's response to the Program Review Report. A copy of the program review report (and related attachments) and KD's response are attached. Any supporting documentation submitted with the response is being retained by the Department and is available for inspection by KD upon request. Additionally, this Final Program Review Determination (FPRD), related attachments, and any supporting documentation may be subject to release under the Freedom of Information Act (FOIA) and can be provided to other oversight entities after this FPRD is issued.

KD's response has resolved the finding. In addition, KD has provided assurances that the appropriate corrective actions have been taken to resolve and prevent future occurrences of this finding. Therefore, KD may consider the program review closed with no further action required.

Program records relating to the period covered by this program review must be retained until the later of: the resolution of the loan(s), claim(s) or expenditure(s) questioned in the program review [34 C.F.R. § 668.24(e)(3)(i)] or the end of the retention period applicable to the record [34 C.F.R. § 668.24(e)(1) and (e)(2)].

Federal Student Aid

An OFFICE of the U.S. DEPARTMENT of EDUCATION

1999 Bryan Street, Suite 1410, Dallas, TX 75201-6817

If you have any questions please call Catherine Smoker at 214.661.9476.

Sincerely,

(b)(6)

Cynthia Thornton, Director
Dallas School Participation Division

Enclosure: Program Review Report
KD's Response to the Program Review Report

cc: Mrs. Linda C. Craft, Financial Aid Administrator
National Association of Schools of Theatre
Texas Work Force Commission
Texas Higher Education Coordinating Board (Exempt)



September 25, 2012

Ms. Kathy N. Tyner, CEO
KD Studio
2600 Stemmons Freeway, Suite 117
Dallas, TX 75207

Certified Mail
Return Receipt Requested

No. 7002 3150 0005 7292 6540

**RE: Program Review Report
OPE ID: 02318200
PRCN: 201240628031**

Dear Ms. Tyner:

From August 13, 2012 through August 17, 2012, Catherine Smoker and Michelle Allred conducted a review of KD Studio's (KD) administration of the programs authorized pursuant to Title IV of the Higher Education Act of 1965, as amended, 20 U.S.C. §§ 1070 et seq. (Title IV, HEA programs). The findings of that review are presented in the enclosed report.

Findings of noncompliance are referenced to the applicable statutes and regulations and specify the action required to comply with the statute and regulations. Please review the report and respond to each finding, indicating the corrective actions taken by KD. The response should include a brief, written narrative for each finding that clearly states KD's position regarding the finding and the corrective action taken to resolve the finding. Separate from the written narrative, KD must provide supporting documentation as required in each finding.

Please note that pursuant to HEA section 498A(b), the Department is required to:

- (1) provide to the institution an adequate opportunity to review and respond to any preliminary program review report¹ and relevant materials related to the report before any final program review report is issued;
- (2) review and take into consideration an institution's response in any final program review report or audit determination, and include in the report or determination –
 - a. A written statement addressing the institution's response;
 - b. A written statement of the basis for such report or determination; and
 - c. A copy of the institution's response.

¹ A "preliminary" program review report is the program review report. The Department's final program review report is the Final Program Review Determination (FPRD).

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The Department considers the institution's response to be the written narrative (to include e-mail communication). Any supporting documentation submitted with the institution's written response will not be attached to the FPRD. However, it will be retained and available for inspection by KD upon request. Copies of the program review report, the institution's response, and any supporting documentation may be subject to release under the Freedom of Information Act (FOIA) and can be provided to other oversight entities after the FPRD is issued.

The institution's response should be sent directly to Catherine Smoker of this office within 30 calendar days of receipt of this letter.

Record Retention:

Program records relating to the period covered by the program review must be retained until the later of: resolution of the loans, claims or expenditures questioned in the program review; or the end of the retention period otherwise applicable to the record under 34 C.F.R. § 668.24(e).

We would like to express our appreciation for the courtesy and cooperation extended during the review. Please refer to the above Program Review Control Number (PRCN) in all correspondence relating to this report. If you have any questions concerning this report, please contact Catherine Smoker at 214.661.9476.

Sincerely,

(b)(6)

Jesus Moya
Compliance Manager

cc: Mrs. Linda C. Craft, Financial Aid Administrator



Prepared for
KD Studio

OPE ID 02318200
PRCN 201240628031

Prepared by
U.S. Department of Education
Federal Student Aid
Dallas School Participation Division

Program Review Report

September 25, 2012

Federal Student Aid
An OFFICE of the U.S. DEPARTMENT of EDUCATION

1999 Bryan Street, Suite 1410, Dallas, TX 75201-6817

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A. Institutional Information

KD Studio
2600 Stemmons Freeway, Suite 117
Dallas, TX 75207

Type: Proprietary

Highest Level of Offering: Associate's Degree

Accrediting Agency: National Association of Schools of Theatre

Current Student Enrollment: 133 (2012-2013)

% of Students Receiving Title IV: 91.73% (2012-2013)

Title IV Participation School Funding Report:

2010-2011

Federal Pell Grant Program	\$825,219
Academic Competiveness Grant (ACG)	\$ 25,362
William D. Ford Federal Direct Loan Program (Direct Loan)/Subsidized	\$789,435
Direct Loan/Unsubsidized	\$780,366
Direct Loan/PLUS	\$583,584

Default Rate FFEL/DL:	2009	10.1%
	2008	11.8%
	2007	13.5%

B. Scope of Review

The U.S. Department of Education (the Department) conducted a program review at KD Studio (KD) from August 13, 2012, to August 17, 2012. The review was conducted by Catherine Smoker and Michelle Allred.

The focus of the review was Gainful Employment disclosures. The review consisted of an examination of KD's Consumer Information disclosures related to programs preparing students for gainful employment.

The school catalog, promotional material, institutional and financial aid student consumer publications were examined for the reporting year ending November 1, 2011.

Disclaimer:

Although the review was thorough, it cannot be assumed to be all-inclusive. The absence of statements in the report concerning KD's specific practices and procedures must not be construed as acceptance, approval, or endorsement of those specific practices and procedures. Furthermore, it does not relieve KD of its obligation to comply with all of the statutory or regulatory provisions governing the Title IV, HEA programs.

This report reflects initial findings. These findings are not final. The Department will issue its final findings in a subsequent Final Program Review Determination letter.

C. Findings

During the review, one area of noncompliance was noted. Findings of noncompliance are referenced to the applicable statutes and regulations and specify the actions to be taken by KD to bring operations of the financial aid programs into compliance with the statutes and regulations.

Finding 1 - Disclosure Requirement Not Met

Citation: For each Gainful Employment (GE) program, the institution must include the following information in promotional materials it makes available to prospective students:

1. The occupations (by names and Standard Occupational Classification codes) that the program prepares students to enter, along with links to occupational profiles on O*NET or its successor site;
2. The on-time graduation rate for students completing the program;
3. The tuition and fees and typical costs for books, supplies (unless those costs are included as part of tuition and fees), and room and board (if applicable) charged to students who complete the program within a normal time frame as defined in 34 C.F.R. § 668.41(a). The institution may include other costs such as transportation and living expenses, but it

must provide a Web link, or access to the program cost information that institution makes available under 34 C.F.R. § 668.43(a). The disclosures should list what the normal time is for each program;

4. The placement rate for students completing the program if required by its accrediting agency or State; and
5. The median loan debt incurred by students who completed the program as provided by the Secretary, as well as any other information the Secretary provided to the institution about that program. The institution must identify separately the median loan debt from Title IV, HEA program loans, and the median loan debt from private educational loans and institutional financing plans.

If the invitation, advertisement, or solicitation mentions or otherwise refers to a specific GE Program or programs, the disclosure information must be included whenever feasible. If providing the information is not feasible because of the size or format of the invitation, advertisement, or solicitation, the institution may display the URL or provide a live link to the webpage where the required information is located, with a clear explanation of the information that is available at that webpage. An example of a compliant disclosure under this guidance could include the following text: "For more information about our graduation rates, the median debt of students who completed the program, and other important information, please visit our website at www.XYZcollege.edu/ABCprogram/disclosure. 34 C.F.R. § 668.6(b)(1), *Gainful Employment FAQ D-Q3*

Noncompliance: KD failed to include the information listed above in the promotional materials (brochures) it makes available to prospective students. KD does include the website address of "kdstudio.com" in its promotional material, but the URL does not immediately deliver the student to the site where the GE disclosure information is located.

Required Action: KD must include either the required disclosure information outlined above, or provide a URL, along with a clear explanation of the information that is available on that webpage, on the promotional materials it makes available to prospective students. The URL should lead directly to the GE disclosure information. If a new printing of the promotional materials is not anticipated in the immediate future, KD should include a supplement to its existing brochure that provides the required information. A copy of the updated promotional material (brochure) that will be used for the basis for new printings when they are required, and a copy of the supplemental information must be included in the institution's response.

10/19/12

CONSERVATORY OF FILM AND DRAMATIC ARTS

October 18, 2012

Ms. Catherine Smoker
Federal Student Aid
1999 Bryan Street, Ste 140
Dallas, TX 75201-6817

Re: Program Review Response

OPE ID: 02318200

PRCN: 201240628031

Dear Ms. Smoker:

KD College concurs that the following should be on the website and the brochures that KD sends out :

1. The occupations (by names and Standard Occupational Classification codes) that the program prepares the students to enter, along with links to occupational profiles on O*Net or its successor site;
2. The on-time graduation rate for students completing the program;
3. The tuition and fees and typical costs for books, supplies (unless those costs are included as part of tuition and fees), and room and board (if applicable) charged to students who complete the program within a normal time frame as defined in 34 C.F.R. § 668.41(a).
4. The placement rate for students completing the program if required by its accrediting agency or State; and
5. The median loan debt incurred by students who completed the program as provided by the Secretary, as well as any other information the Secretary provided to the institution about that program. The institution must identify separately the median loan debt from Title IV, HEA program loans, and the median loan debt from private education loans and institutional financing plans.

KD College website has the disclosures on the front webpage with the links to the gainful employment information mentioned above. The enclosed brochure contains the link to the website disclosures. All future brochures will have the link printed on them.

Sincerely,



Gary Tyner, Jr.
President

Enclosure: KD College Tri-fold

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DALLAS TX 75201

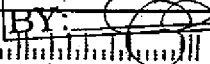
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• Sender: Please print your name, address, and ZIP+4 in this box •

C. Smoker (FPRD) 02318200
KD Studio - Dallas, TX
Dallas School Participation Division
1999 Bryan Street, Suite 1410
Dallas, TX 75201-5817

NOV 14 2012

BY: 

SENDER: COMPLETE THIS SECTION

- Complete Items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Ms. Kathy N. Tyner, CEO
KD Studio
2600 Stemmons Freeway
Suite 117
Dallas, TX 75207

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X 

☒ Agent

☐ Addressee

B. Received by (Printed Name)

J. FRANK

C. Date of Delivery

11-10-12

D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☒ No

3. Service Type

☒ Certified Mail

☐ Express Mail

☐ Registered

☐ Return Receipt for Merchandise

☐ Insured Mail

☐ C.O.D.

4. Restricted Delivery? (Extra Fee)

☐ Yes

2. 7011 2000 0000 8054 4745